

US EPA ARCHIVE DOCUMENT

AGENCY: ENVIRONMENTAL PROTECTION AGENCY (EPA)
TITLE: CLIMATE SHOWCASE COMMUNITIES
ACTION: Request for Application (RFA)
RFA No: EPA-OAR-CPPD-09-08
CFDA: 66.041
SUMMARY: Formal Agency responses to questions regarding the subject RFA
DATE: July 17, 2009

Process and Legal Questions

Q1. How do applicants submit their applications? Submission via grants.gov or to EPA directly?

A1. Applicants may submit their applications either by hardcopy or via email per the instructions outlined in the RFA in section IV. Part B. Form of Application Submission. Applications will not be accepted via grants.gov.

Q2. Will regional diversity be taken into account in the selection process (e.g., will grants be divided by EPA regions)?

A2. Yes, in making the final funding decisions, the Approving Official may also consider programmatic priorities and geographic diversity of applicants. Please refer to Sec. V.C. of the RFA for more information regarding 'Other Factors'.

Q3. How long after applications have been received will selected communities be announced? When will winners be notified? When will funds be available?

A3. EPA's Climate Protection Partnership Division (CPPD) anticipates notifying the initial list of recommended proposals by September 30, 2009. Proposals that are ultimately awarded will potentially have access to the grant funding as early as January 2010. A public announcement of selected applications will be made once funds are awarded.

Q4. Will there be future rounds each year?

A4. Funds supporting this RFA are for one-time grants only. It is not yet known if additional funding will be made available for another Climate Showcase Communities Grant RFA in 2010 or future years.

Q5. Are funds allowed to be used for implementation purposes instead of studies and demonstrations?

A5. Yes, under the Climate Showcase Communities authorizing statute, Public Law 111-8, grants may be used to support direct costs of approved planning activities, demonstrations, and project implementation, as well as allowable indirect costs in

accordance with established EPA policies and guidelines.

Please refer to Section I.B. Scope of Work of the RFA for more information on eligible activities.

Q6. Can an eligible entity partner with DoE labs as well as EPA labs?

A6. Applications may indicate a request for Federal Lab access and/or assistance. However, please be advised that such arrangements cannot count toward the applicant's match requirements. Applicants are solely responsible for initiating any such lab access and/or assistance.

Q7. Are there any restrictions planned (re: percentage) of the funds that could be used to cover local government staff time, or percentage of funds that could be directed to community-based non-profits for their work in the project?

A7. The RFA does not restrict the percentage or amount of grant funds that may be allocated toward applicant/recipient staff time. Similarly, the RFA does not restrict the percentage or amount of funding that may be granted via sub-award or as contracts to non-profit organizations- so long as the activities therein are eligible and responsive to the RFA.

Q8. Is it possible to get an extension so that we can submit after the July 22, 2009 deadline?

A8. No, CPPD is not granting any extensions to the July 22, 2009 application deadline.

Q9. How many applications does CPPD expect to receive in response to this RFA?

A9. CPPD cannot speculate on the number of applications. Per the RFA, prospective applicants are requested to submit an informal notice of Intent to Apply by **July 1, 2009**. Intent to Apply may be submitted via email to ClimateShowcaseInquiries@epa.gov. We ask that the intent to apply include the applicant's name, contact information, and a 2-3 sentence description of the intended project. However, submission of Intent to Apply is optional and we therefore cannot forecast the amount of applications.

Q10. Is the program expected to be very competitive?

A10. Yes, CPPD expects to receive many quality proposals, and therefore anticipates a very competitive applicant pool.

Q11. Can one entity submit multiple proposals? And can the dollar amounts requested from EPA differ?

A11. Yes. There is no restriction on the number of applications a single entity can submit. Similarly, for entities submitting multiple applications, the RFA does not limit the dollar amount requests per each application.

Q12. If our entity applies for multiple awards, should we apply for large and small awards, or large or small awards?

A12. Each proposal will be evaluated independently based on the evaluation criteria identified in Section V.A. of the RFA. The number of proposals a single entity submits

and/or the differing dollar amounts therein, are not identified as factors in the evaluation table.

Q13. Do organizations that have no lobbying activities to disclose, still need to submit the disclosure form (SF-LLL) as part of our application?

A13. All applicants applying for \$100,000 or more in Federal funds from EPA that participate in lobbying activities for this particular award with non-Federal funds are required to submit SF-LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions. Applicants should read the instructions carefully to determine whether or not they are required to provide additional information concerning lobbying activities, if applicable.

For more information please visit the link to the Part 34 concerning lobbying:

<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=2a1089e756bf89a99b117d9bdf4f8b34&rgn=div5&view=text&node=40:1.0.1.2.31&idno=40>

Q14. On the SF-424, item 5b is asterisked- and therefore appears to be "required", but the accompanying form instructions indicate to leave that box blank for new applications.

A14. You may leave 5b blank. Please make sure you put the funding opportunity number and title in item 12.

Q15. Is EPA primarily interested in assessing programmatic capability through past performance solely based on previous participation in federal grants (in reference to Section IV.C2c.?

A15. Per Section IV.C. of the RFA, Past Performance evaluation is limited to Federally funded assistance agreements.

Q16. If an applicant only participated in three federal grants in the last three years, is it relevant to include information from state or regional funding opportunities that relate to climate change activities?

A16. You may provide a more inclusive discussion of your past performance from non-Federal sources, but per Section IV.C. of the RFA, Past Performance, evaluation is limited to Federally funded assistance agreements only.

Q17. Is there a cap on administrative/management expenses?

A17. No, EPA does not have a formal cap on administrative or management expenses.

Q18. If an applicant submits attachments which feature supplementary information, e.g. photos or reports, will they be considered in the evaluation?

A18. Proposals will only be evaluated according to the Evaluation Criteria described in Section V. Part A.

A19. What if an applicant missed the July 1, 2009 deadline to register an "intent to apply"? Can they still apply?

A19. Yes, Submission of an “Intent to apply” is optional only. It is a process management tool that will allow EPA to better anticipate the total staff time required for efficient review, evaluation, and selection of submitted applications.

Prospective applicants do not need to submit intents to apply following July 1, 2009. All prospective applicants, irrespective of whether they submitted an intent to apply or not, can still proceed to submit complete applications by the July 22, 2009 deadline.

Q20. Is this a reimbursement grant or are funds disbursed in advance?

A20. Climate Showcase Communities grants will be on an advance basis, provided that grantees maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the grantee or subgrantee. Please be advised that grant recipients will be subject to Cost Principles outlined in OMB Circular A-87.

Q21. Are sole-source procurements permitted?

A21. Sole-source procurements are only permitted in certain circumstances. If selected for a grant, recipients will be required to follow all applicable procurement regulations, including 40 CFR 31.36. Generally, local governments must follow their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable federal law, the standards identified in 40 CFR 31.36, and if applicable, 40 CFR 31.38. Please note that contractors or consultants identified in applications will not count towards applicant scoring unless a description of the competition process is explained in the application. Furthermore, even when procurement expenses are under the small purchase threshold, grant recipients will still be required to maintain records showing prices and quotes from adequate sources.

Q22. Will there be a fast track or special process for NEPA review, if required for projects that receive funding?

A22. EPA does not anticipate that any required NEPA reviews would substantially impact the funding review and award phases. EPA intends to make these grant awards in January 2010.

Q23. If grant funds were to be used to add features to a building project that will be constructed using non-federal funds and these features are all within the footprint of the non-federally funded construction, would EPA grant funds trigger a NEPA review of the entire building?

A23. Whether an action will trigger NEPA is a factual question that EPA intends to address on a case-by-case basis. For questions regarding NEPA, please refer to NEPA site listed in the RFA.

Q24. Does the Davis-Bacon Act apply to Climate Showcase Communities grants?

A24. EPA does not anticipate that the Davis-Bacon Act would apply to Climate Showcase Communities projects.

Q25. What, if any, indirect cost rate documentation is required if an applicant is not

including indirect costs in their proposal?

A25. Verification of an approved Indirect Cost Rate is only required for applicants that are proposing charging indirect costs to their grant.

Q26. How is it recommended that we enter signatures in the electronic form? May we type them in?

A26. Electronic signatures may be entered using the "sign" function in the PDF file. Alternatively, you may print out the SF-424, and sign by hand.

Q27. How many "Intents to Apply" were received by July 1, 2009?

A27. EPA has received over 250 intents to apply.

Q28. In determining who classifies as a subgrantee or subawardee, can you provide more guidance than the distinction that is made?

A28. Please refer to Section .210 of OMB Circular A-133 for more information regarding subrecipients.

Q29. Do subawards to local agencies require a competitive process?

A29. The answer depends on the nature of the "subaward", and the terms of the scope of work in the grant proposal. Please refer to OMB circular A-133 .210 for more information.

Q30. Are Tribal applicants restricted to applying for the Tribal set-aside pool identified in the RFA? Or can Tribal proposals be considered for funding from the main applicant pool as well?

A30. There is no predetermined value for grants awarded to Tribal governments. EPA expects to award between 1 and 3 grants to tribal governments or intertribal consortia under the set-aside, and Tribal applicants may request up to \$500,000. Additionally, EPA may choose to award funds above the amount of the tribal set aside to tribal applicants subject to the number of meritorious tribal applications.

Q31. Can you give examples of types of projects funded in the past?

A31. This is the first year of the Climate Showcase Communities grant program, so no projects have yet been funded under this program.

Q32. What constitutes the 15 single spaced typewritten page limit?

A32. The 15 page limit is defined in IV.C.1,2, and 3. of the RFA. Any items that falls within the components described therein would count towards the page limit.

Q33. Is the American Recovery and Reinvestment Act of 2009 a source of funding for this opportunity? If not, what is the source of funding?

A33. The Climate Showcase Communities grant program was authorized by Congress as part of The Fiscal Year 2009 Appropriations Bill (PL-111-8). No, the Climate Showcase Communities program is not part of the American Recovery and Reinvestment Act.

Q34. Do applicants need to go through their State Point of Contact under Executive Order 12372? Question #19 on the SF-424 form reads, "Is Application Subject to Review By State Executive Order 12372 Process?" The instructions for #19 say, "Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process." How do I contact the SPOC and answer #19?

A34. A list of states which are participating in the inter-governmental review process is available at: http://www.whitehouse.gov/omb/grants_spoc/ . If your State is on this list, then please check "yes" on the SF-424 box 19. However, compliance with E.O. 12372 is only applicable for awards resulting from this RFA. Please be advised the E.O. 12372 review is not required at the time of your initial application.

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Q35. Section 2c. of the narrative proposal requires a list of federally funded projects "performed within the last three years." Will a multi-year project that started more than three years ago but was completed within the last three years be relevant?

A35. Any work you performed in the last three years on federally funded assistance awards may be included- regardless of a project's original start date.

Q36. If a group of local governments is working collaboratively on the proposed showcase project, and the grant will fund activities and use in-kind from all the collaborating local governments, does the application need to include formal resolutions from each city council? Are letters of support from mayors or city administrators sufficient to document participation?

A36. Letters of support, or a jointly signed memo would be preferred. However, at the application stage, there are no formal documentation requirements for collaborative projects. If selected for a grant, EPA may request further verification of any proposed collaborations.

Q37. Who needs to complete Form LLL, the Disclosure of Lobbying Activities?

A37. Please refer to the instructions provided in boxes 1 & 2 of Form LLL for types of actions covered by the Form. If you have lobbied at the Federal level for any of the actions listed in Box 1, you should complete the form.

Q38. Is Form LLL, the Disclosure of Lobbying Activities only for the applicant or for all grant partners?

A38. Form-LLL is only required for applicants, where applicable.

Q39. Will emailed attachments of application materials count as "originals"?

A39. For the purposes of applying to this RFA, all emailed attachments that meet the deadline will be considered "original", regardless of electronic signature or hand signature on the scanned attachments. Please retain any original signed documents for your records. If selected for a grant, you may be required to submit the application documents with the actual signatures via hard copy.

Q40. I am trying to determine what type of Federal grants would apply for the Programmatic Capability and Past Performance section of the Narrative. Would Federal grants that are administered through the State or our local Transportation Improvement Board apply for this section?

A40. Per the instructions in Section IV Part C.2.c, only Federally funded assistance agreements (i.e. grants issued by Federal agencies) are applicable. However, performance on past EPA grants is preferred. Previous grants need not have an explicit climate change focus, however they should be for a related purpose, if possible. Federal grants administered by States or local boards, might not be relevant in terms of measuring outcomes and providing timely progress reports. Please make sure your response full complies with the instructions put forth in Section IV. Part C.2.c of the RFA.

Q41. On the "Checklist for Applications Required Items to be Submitted" on the EPA website (<http://www.epa.gov/ogd/AppKit/application.htm>), there are two items listed that I'm not sure of. They are the Quality Assurance Narrative Statement and the Copy of Negotiated Indirect Cost Rate Agreement. Can you please tell me what these are and if they're required to be submitted for this grant?

A41. A quality assurance statement will be required if you're project has a research element, requiring the collection of environmental data. If you have a Federal negotiated indirect cost agreement, and you are proposing to charge indirect costs to the grant, please attach your rate agreement to your application email. Alternatively, if you are selected for a Climate Showcase Communities grant and you require the establishment of a rate agreement, you will be sent instructions with your grant award document. If you are not planning to charge indirect costs to the grant, then you need not worry about an indirect cost rate agreement. In addition, please refer to the RFA's section IV. Part C. Content of Application Package Submission, this section lists all the required forms and content.

Q42. On EPA FORM 4700-4, question IV asks for a listing of all lawsuits regarding discrimination, but then says that does NOT include employment complaints not covered by 40 CFR parts 5 and 7. As far as I can figure out, 40 CFR parts 5 and 7 do not cover age discrimination disputes, even though "age" is mentioned in the text of this question. Please provide clarification on whether or not charges of age discrimination need to be reported in answer to this question.

A42. "Age" discrimination is mentioned in item III of Form 4700-4. Therefore, applicants must report relevant information.

Q43. In the key personnel listing, can you use 3rd party personnel (match personnel)

A43. Regarding the Key Contacts Form, the Project Manager may be from a 3rd party entity. However, the Authorized Representative, Payee, and Administrative Contact should be employees of the applicant entity.

Q44. What is meant by a "neutral score" - in regards to the programmatic capability/past performance evaluation?

A44. A neutral score is half the total number of available points in a category. Please

see pages 12 and 16 of the Request for Applications for additional details. The technical evaluation panel will award a neutral score of 5 out of 10 points under criteria 3i and 3ii to those entities that don't have any reportable experience. Please be aware that applicants must indicate that they do not have past experience in order to receive the neutral score. Failure to address this criterion will result in a score of 0.

Q45. What proportion of 'letters of intent' have come from school districts?

A45. As of the July 1st deadline, over 250 'letters of intent' were received. We have not (or intend) to classify the 'letters of intent' into groups or types of entities.

Q46. Will any special weight be given to entities that comprise a smaller applicant segment, such as school districts?

A46. Proposals will be scored solely on the criteria presented in Section V of the RFA. However, in making the final funding decisions, the Approving Official may also consider programmatic priorities and geographic diversity of applicants- as explained in Section V. Part C of the RFA. The RFA does not allow for special consideration based upon certain segments of eligible entities.

Q47. Does the goal referenced in the RFA of reducing 160 million metric tons of carbon equivalent By 2012, mean that a total of 160 million tons will be reduced, or that 160 million tons will be reduced annually? Is it a cumulative number or a rate?

A47. The goal is to reduce 160 metric tons of carbon equivalent on an annual basis by 2012. Please be advised that this annual goal is for the Environmental Protection Agency as a whole. There is no specific numerical reduction goal for the Climate Showcase Communities grant program.

Q48. If an applicant submits annual applications to EPA, or has otherwise completed and submitted any of the required accompanying grant forms and certifications, are they required to resubmit any of those forms as part of their Climate Showcase Communities grant application.

A48. Applicants that are already receiving other EPA grants, and have submitted Form 4700-4 Pre-award Compliance Review Report for All Applicants Requesting Federal Financial Assistance in calendar year 2009, need not resubmit that form at this time. However, if selected for a grant, those applicants might be required to nonetheless resubmit Form 4700-4 at the request of the Office of Grants and Debarment. All other applicable grantee application forms are required at this time.

Q49. Will the Climate Showcase Communities grant require Federal authorization in annual or other funding period increments?

A49. EPA intends to fully fund each Climate Showcase Communities grants.

Q50. On the SF-424, how do we complete boxes 3, 4, 5a, 5b, 11, 12, and 13?

A50. Box 3: leave blank

Box 4: leave blank

Box 5a: leave blank

Box 5b: leave blank

Box 11: 66.041 is the CFDA; "Climate Showcase Communities Grant Program" is the title.

Box 12: EPA-OAR-CPPD-09-08 is the Funding Opportunity Number; "Climate Showcase Communities" is the title.

Box 13: EPA-OAR-CPPD-09-08 is the Funding Opportunity Number; "Climate Showcase Communities" is the title (same as Box 12).

Q51. Are we required to follow the outline provided in the RFA for the narrative proposal?

A51. Applicants must address all elements listed in the RFA, but may use their discretion in how best to present this information. Please be advised that there is a 15 page limit for all material in the narrative proposal with the exception of resumes and letters of support.

Q52. Will additional points be awarded for applicants who indicate matching funds beyond the amount required?

A52. No additional points will be awarded for providing more than the required match. The only criteria used for scoring are the criteria listed in Section V. of the RFA. If a cost-share above the requirement is indicated in the budget, the applicant will be responsible for providing those matching funds if they are awarded grant funding.

Q53. Can the amount of funding requested fall in between \$100,000 and \$300,000? Are the amounts listed in the RFA the only ranges that will be funded?

A53. The dollar values indicated in the RFA are intended solely as a guideline. The only restriction on requesting funds is that the maximum award for an application will be \$500,000.

Q54. Will there be an even distribution of funding between rural and urban locations or between types of government?

A54. The diversity of applications selected for funding will be dependent on the number and merit of applications received. In making the final funding decisions, the Approving Official may also consider programmatic priorities such as community size or government type. Please refer to Sec. V. Part C of the RFA for more information regarding 'Other Factors'.

Q55. Q&A # 11 under "Process and Legal Questions", indicates that applicants can submit multiple proposals. If that is correct, is it possible to receive more than one grant? And is there a dollar cap on grant funding per applicant?

A55. Applicants may submit multiple applications. If an applicant does submit more than one application, then each application will be reviewed, evaluated and scored separately on its individual merit. It is possible for one applicant to be awarded separate, multiple grants. Each grant would be entirely independent from the other, including management of funds. Each application may request up to the \$500,000 limit.

Q56. The Budget Example in Appendix A of the RFA does not match Budget SF424B forms. Do we need to complete the SF-424B and a detailed budget narrative, following

the example in Appendix A?

A56. Yes, please complete the SF-424A budget form and please also provide a detailed budget narrative. Please refer to Section IV. Part C.2.vii and Appendix A of the RFA for more information.

Q57. The grant application forms listed in the RFA include Standard Form 424A and 424B for Non-Construction Programs. If the application for grant is for a project that is primarily construction, should the application include Standard Forms 424C and 424D, Construction Programs instead?

A57. The Climate Showcase Communities grant program is a non-construction program and applicants must utilize SF 424A and 424B. The 424B does include line items for construction costs.

Eligible Applicants Questions

Q1. Are private universities eligible?

A1. No, universities, whether public or private are not considered eligible to apply under this RFA. See Section III.A. Eligible Entities of the RFA for more information.

Q2. Is there any restriction as to size of town/locality?

A2. No, the RFA does not restrict population sizes.

Q3. Can a school district and local government in the same area apply separately?

A3. Yes, multiple entities from the same area may submit separate applications.

Q4. Can a city and county apply jointly as a "climate community"?

A4. Only one entity can formally submit an application for a particular project. However, the scope of work can reflect multi-jurisdiction collaboration. Also, please be advised that each collaboration would be limited to the maximum dollar amount of \$500,000 (e.g. you could not ask for a million dollars using the argument that you are two governments applying jointly).

Q5. Can a consortium of local governments apply jointly?

A5. Yes, a consortium of local governments may apply, but there must be one entity that formally signs the application. If selected that same entity would be the entity EPA enters into grant agreement and legally responsible for federal funds. Also, please be advised that each collaboration would be limited to the maximum dollar amount of \$500,000 (e.g. you could not ask for a million dollars using the argument that you are 2 governments applying jointly).

Q6. What about non-profits representing local governments?

A6. Non-profits are not eligible applicants under this RFA.

Q7. Are Council of Governments' eligible to apply?

A7. Yes. See Section III.A. Eligible Entities of the RFA for more information.

Q8. What is the eligibility status for Puerto Rico, the District of Columbia and US

Territories?

A8. The statutory authority for this program specifically states that "communities" are eligible entities. As a matter of policy, EPA has defined "communities" to include local governments (as defined in 40 CFR 31.3), federally recognized Indian tribal governments, and intertribal consortium.

The District of Columbia, Puerto Rico, and any territory or possession of the U.S. fall within the definition of "State" in 40 CFR 31.3 and do not constitute local governments. However, counties, municipalities, cities, towns, townships, local public authorities, school districts, special districts intrastate districts, council of governments, and any other regional or interstate government entity, or any agency or instrumentality of the 50 States, the District of Columbia., Puerto Rico, or U.S. Territories do fall within the definition of local governments and, therefore, are eligible to apply under this RFA. Please refer for Section III.A. of the RFA for more information.

Q9. Is a member-owned cooperative non-profit an eligible entity to apply?

A9. No. The RFA classifies eligible entities as local governments (as defined in 40 CFR 31.3), federally recognized Indian tribal governments, and intertribal consortium. In order to be eligible, your entity must qualify in one of those categories, as defined in Section III.A. Eligible Entities of the RFA.

Q10. Are foreign entities eligible?

A10. No. Foreign entities are not eligible. In order to be eligible you must meet the definition of eligible entities as defined in Section III.A. Eligible Entities of the RFA.

Q11. Can Metropolitan Planning Organizations apply?

A11. The statutory authority for the grant program provides that "communities" are eligible for funding. As a matter of policy, communities has been defined to include only local governments (as defined in 40 CFR 31.3), federally recognized tribal governments, and intertribal consortia. "Local governments" include a county, municipality, city, town, township, local public authority (including any public and Indian housing agency) under the U.S. Housing Act of 1937), school district, special district, intrastate district, council of governments, any other regional or interstate government entity, or any agency or instrumentality of a local government. Metropolitan Planning Organizations (MPOs) are transportation policy-making organizations made up of representatives from local government and transportation authorities. An MPO is eligible to apply to the extent it falls within the definition of "local government". In addition, an MPO might be also be an eligible contractor, providing services to a member local government. Likewise, an MPO may contribute staff time, resources, and/or money to the grant in the form of a third party partner.

Also concerning MPOs, please be advised that many cases a local government (as defined in the RFS Section III. Part A), MPO-member will have to apply on behalf of the MPO. Furthermore, regardless of how many entities make up the MPO, the maximum dollar amount that can be requested from EPA for each application is \$500,000.

Q12. Are applicants from each EPA Region (1-10) eligible to apply?

A12. Yes, all eligible entities as stated in section III of the RFA may apply.

Q13. Is a non-profit municipal electric utility, with a publicly-elected board of directors, eligible to apply?

A13. In cases where applicants have more than one legal status, such as a municipal Agency that also has non-profit tax status. In a case like this, EPA requests that applicant provide a letter from their legal counsel setting forth their eligibility under 40 CFR 31.3. EPA will review these situations on a case-by-case basis. Please be advised that the applicant entity must qualify as a local government under 40 CFR 31.3- meaning that the governmental entity (not the non-profit entity) must apply for the grant.

Q14. Can a Tribal owned Casino apply for the Grant?

A14. Tribal applicants may own casinos, but the official applicant entity must be meet the definition of either a Federally Recognized Indian Tribe or Intertribal Consortium, as presented in Section III. Part A. of the RFA. A casino itself, would not meet that definition.

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Q15. Are non-federal recognized Tribes with lands in trust - called Allotments - able to participate in this program?

A15. Yes, if a non-federally recognized Tribe qualifies as an eligible entity (see section III. Part A. Eligible Entities), then they may submit an application. Only federally recognized tribes and tribal consortia are exempt from the 50% cost share stipulation. Otherwise, non-federally recognized Tribes may partner with an eligible entity in order to participate in Climate Showcase Communities program. For more information regarding broader Tribal policy concerns, please EPA's American Indian Environmental Office (AIEO) <http://www.epa.gov/tribalportal/contactinfo/index.htm> .

Cost Match Questions

Q1. We have already spent 2,000+ all-volunteer hours on a greenhouse gas inventory and creation of a Climate Action Plan and are now looking to implement our initiatives and would like to apply for money to help implement one of the initiatives in our plan. Can the volunteer hours we already put in to this effort be applied as part of the match?

A1. In some limited circumstances CPPD may grant pre-award cost approval, but generally these costs are of a limited scope. The example above would appear to exceed the general CPPD limits on pre-award cost approval.

Q2. Are state funds an eligible match? Or do they have to be local?

A2. Only Federal funds are specifically prohibited from use for matching funds.

Q3. Can you give more examples of other "in-kind" matching possibilities other than cash?

A3. Personnel/staffing costs and volunteer hours may also be counted toward the match requirement. Please refer to Section III.B. Cost Share or Matching of the RFA for more information.

Q4. Will applicants providing more than the required match percentage receive any special consideration?

A4. No. The evaluation criteria table in Section V. Part A does not include a ranking factor for applicants who propose to contribute more than the required match amount. Please refer to Section V.A. of the RFA for more information.

Q5. Can Recovery Act (ARRA) funding for DOE's Energy and Environmental Block Grants (EEBG) be used as part or all of the 50% match required for this showcase grant, or is that prohibited?

A5. At this time EPA is not aware of a statutory provision which would allow ARRA/EEBG funding to be used for matching funds for the Climate Showcase Communities grant program. Please check with DOE if your proposal would have a statutory exception allowing for such a case, and then please notify EPA (via email to ClimateShowcaseInquiries@epa.gov) of any provisional approvals in this regard. For questions regarding any other previous Federal funding as potential matching funds for Climate Showcase Communities grants, applicants must check with the cognizant agency that issued the grants to determine whether those grant programs include statutory authority for those grant funds to be applied as match to other federal grants. If there is no statutory authority, under 40 CFR 31.24, funds from other federal grants cannot be used to satisfy the match requirement for Climate Showcase Communities grants.

Q6. Can HUD/CDBG funding be used as part or all of the 50% match required for this showcase grant, or is that prohibited?

A6. HUD's community development block grant (CDBG) authority does provide that CDBG funds can be used to satisfy match requirements of other federal grants, but the CDBG funds must be used in accordance with the statutory authority for which they were awarded.

Q7. Can third-party funds be used to satisfy the match requirement?

A7. Yes. Please refer to 40 CFR 31.24(a) (7) for third party "in-kind" contributions.

Q8. Does an applicant's match component need to be officially determined in order to apply?

A8. There is some flexibility post-submission for applicants to finalize their match arrangements. However, applicants recommended for funding must confirm to EPA the final match details when notified of their recommended status. EPA will not make any awards to applicants that cannot verify in writing their ability to comply with the match requirement.

Q9. Can the applicant's proposed match come from prior expenses?

A9. Recipients may incur pre-award costs 90 calendar days prior to award provided

they include such costs in their application, the costs meet the definition of pre-award costs and are approved by the EPA Project Officer and EPA Award Official. The definition of pre-award costs are those costs incurred prior to the effective date of the award directly pursuant to the negotiation and in anticipation of the award where such costs are necessary to comply with the proposed delivery schedule or period of performance and are in conformance with the appropriate statute and cost principles. The approval of pre-award costs should be reflected in the budget period on the assistance agreement and if applicable, under a term and condition of the assistance agreement. Pre-Award costs incurred more than 90 calendar days prior to award require the approval of the EPA Award Official. Recipients incur pre-award costs at their own risk (i.e., EPA is under no obligation to reimburse such costs if for any reason the recipient does not receive an award or if the award is less than anticipated and inadequate to cover such costs).

Q10. Does the EPA have a standard “value” for volunteer services that we could use in determining the value of volunteers towards our cost share requirement? If not, do you have any suggestions on determining that value?

A10. Unpaid services provided to a grantee by individuals will be valued at rates consistent with those ordinarily paid for similar work in the grantee's organization. If the grantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.

Q11. Can local governments (county, town, city) partner with a Tribe who resides in the county? And if yes, would this remove the requirement for 50% matching funds from all partners?

A11. Yes, local governments and Tribes may collaborate on grants. The answer would depend on which entity is the applicant, and what role the other entity would have in the project. Please note that "partnering" can be interpreted as a contractual relationship for procured service, a subgrant, or a sharing of project costs. If the applicant was an eligible Tribal entity, then there would be no cost-share required by EPA. Therefore, in such a case, a local government acting as a subgrantee would not be required to contribute a cost-share, unless otherwise expressed in the terms of the subgrant from the awarding Tribal entity.

Q12. Can funding from an on-going related work effort being undertaken by our agency be used as a partial match? Can ongoing related work being undertaken by organizations we might partner with in our application be used as match funds?

A12. Ongoing costs, such as equipment purchases and installations already in use, may not be used to meet the required cost-match. However, ongoing costs (ex. insurance, lease, maintenance, etc) integral to the work performed under the grant agreement may be included as a cost-match. Please see Q&A #9 under Cost Match Questions for additional information.

Q13. Can other Federal funding be used as a cash match?

A13. For questions regarding any other Federal funding as potential matching funds for

Climate Showcase Communities grants, applicants must check with the cognizant agency that issued the grants to determine whether those grant programs include statutory authority for those grant funds to be applied as match to other federal grants. If there is no statutory authority, under 40 CFR 31.24, funds from other federal grants cannot be used to satisfy the match requirement for Climate Showcase Communities grants. Please notify EPA (via email to ClimateShowcaseInquiries@epa.gov) of any provisional approvals in this regard.

Q14. How does one go about obtaining "pre-award cost approval"?

A14. Pre-award cost approval will be handled on a case-by-case basis for applications selected for funding and must be approved by EPA. Pre-award costs must be incurred 90 days prior to the project start date listed in the EPA grant award document. Applicants must keep in mind that EPA does not guarantee pre-award cost approval.

July 17, 2009 Update

Q15. Please clarify the cost-match requirement. For instance a \$500,000 Request of EPA, would require \$250,000 in recipient cost-share, creating a \$750,000 project budget. Is that right??

A15. Yes, for a \$500,000 request in grant funds, the minimum recipient cost share would be \$250,000. In such a case, the minimum total budget would be \$750,000. However, there is no maximum amount or percentage placed on recipient cost share. Therefore, in the same example, a recipient could offer more than \$250,000 in cost share, thus increasing the total budget accordingly. Please keep in mind that no additional points will be awarded for contributing more than the minimum cost share, and applicants who include more than the minimum match in the application will be obligated to provide the full amount detailed in their budget.

Q16. If matching funds from another grant are used, what time period do the those funds have to come in and be spent for our match, relative to spending the EPA grant funds? Can they be sequential, or must they be coterminous? For example, if we have a 2 phase project and receive a different grant in FY 2010 to fund Phase 1, could we consider that as our match for using EPA funds for Phase 2 in FY 2011?

A16. The recipient's cost-share is required within the time-frame of the project period. However, there are no further restrictions stipulating exactly when during the life of the project those cost share expenses must occur.

Q17. Can federal funds that are passed through a state agency be used for the match?

A17. Generally, the answer to this question is no. EPA is only aware of HUD/CDBG funding that can be used as cost-share funding. Applicants must check with the Federal Agencies awarding the other grant funding to see if there are any Statutory allowances that would make use of the other Federal funding permissible as cost-share for the Climate Showcase Communities grant program. Please notify EPA (via email to ClimateShowcaseInquiries@epa.gov) of any provisional approvals in this regard. Please see Q&A #'s 5 and 6 under "Cost Match Questions" for more information.

Q18. Is there any way to avoid having to provide a cost-share?

A18. No, all local governments, with the exceptions of Federally Recognized Indian Tribes and Intertribal Consortium are required to provide a cost-share of 50% the amount requested by EPA. Please refer to Section III. Part A. for definitions of local governments, Federally Recognized Indian Tribes and Intertribal Consortium. Please refer to Section III. Part B. of the RFA for more information on how to calculate your cost-share.

Q19. Can commercial loans be considered for matching funds? If so, what kind of commitment would the EPA like to see in the application to document this? Would a letter of commitment from an interested bank be enough?

A19. A grantee may borrow funding from a commercial lender to satisfy the match requirement, but grant funds cannot be used to pay back any interest that accrues on that loan and the principal of the loan cannot be repaid to the bank until after the grant is closed out. If proposing to use commercial loan for the cost-share requirement, a letter of commitment from bank or loaning entity is preferred, but not required.

Q20. Can the recipient's cost-share be applied to capitalizing a revolving loan fund?

A20. Cost share funds cannot be used for loan programs. The costs and contributions acceptable for a match may only be satisfied by allowable costs incurred by the grantee.

Q21. Can the recipient's cost-share be used to support loans for homeowners to retrofit their homes?

A21. No, matching funds may only be used for allowable costs under the grant agreement. Granting loans are not considered an allowable expense under this grant program. Please review the cost share regulations in 40 CFR part 31 for more information.

Q22. Can Recovery Zone Economic Development Bonds be used as matching funds?

A22. No, Recovery Zone economic Development Bonds issued under the American Recovery and Reinvestment Act (ARRA) are not eligible for use as cost-share.

Q23. Can land be considered a match?

A23. It depends. Land can be considered a match only if the purchase of land is an allowable cost under the grant agreement. (31.24(f) addresses when a grantee donates land *for a construction or facilities acquisition project.*). Please also be advised that if selected for a grant, EPA may require an independent appraisal of the fair market value.

Q24. Are incentives and/or rebates available from local utility companies for installation of solar photovoltaic systems eligible as a cost share match?

A24. If grant funds are used to install solar photovoltaic systems and the local utility companies provide cash incentives or rebates for the installation, the cash incentives and rebates are program income. Costs financed by program income shall not count towards satisfying a cost sharing or matching requirement unless EPA has authorized program income to be used to meet the cost sharing requirement of the grant

agreement. Please see Q&A# 52 under "Project Questions" for more information regarding program income.

Project Questions

Q1. What about non-direct GHG savings (scope 3 emissions), such as embodied energy in water or waste recycling?

A1. As long as a case for these emissions reductions can be documented, then they would be considered eligible.

Q2. Is there a multiplier that would relate to the size of the grant, dollar wise, as it relates to the desired GHG reduction? So for instance a- 250,000 grant must reduce "X" GHG and must be calculated by a specific multiplier?

A2. No—there is no predetermined level of reduction by dollar amount requirement.

Q3. Do you consider the potential multiplier effect of a project in the ranking of the application? Specifically, if the local government project breaks down market barriers to the use of products that provide a larger CO2 mitigation than the mere project itself, does that get included in the ranking?

A3. The outcomes/outputs portion of your proposal allows you to highlight any "multiplying" features of your project approach. And projects may receive higher scores in this section for demonstrating the likelihood of ongoing reductions. Please refer to Section I. Part B. Scope of Work and Section V. Part A. Evaluation Criteria of the RFA for more information.

Q4. Is the EPA GHG calculator the only acceptable calculator to measure reductions?

A4. No. Applications may demonstrate any "reasonable" approach to estimate reductions or activities that lead to reductions. CPPD will work with the selected applicants on quantification metrics as needed.

Q5. What does EPA want to see to make the project a "showcase"?

A5. Please review Section I. Part B. Scope of Work and Section V. Part A. Evaluation Criteria of the RFA for information regarding the goals of the Climate Showcase grant program. The overall goal of this program is to implement programs, projects, and approaches, which demonstrate documentable reductions in greenhouse gases and are replicable elsewhere.

Q6. What portion of the funds does EPA anticipate using for development of climate action plans or other program development activities vs. for specific projects with more direct GHG reduction benefits (e.g., energy retrofits to particular facilities)?

A6. All projects must have a GHG reduction benefit, though a portion of each applicant's funding can be used for planning and program development. The allocation of funds for development vs. implementation will be dependent on the variety and quality of applications received.

Q7. What kind of "readiness" are you looking for? e.g. climate inventory completed?

Could funding be for planning? research? or implementation?

A7. CPPD is seeking a diversity of community and project types. This includes funding projects from communities that are just starting to address climate change as well as those that have long-standing programs. There are no specific prerequisites that an applicant must have in place to apply and receive funding.

Q8. Are community workshops an eligible activity? What about training and/or development of green building guidance?

A8. Within the context of a proposal that is otherwise responsive to the RFA, workshops, training, and guidance development would be considered eligible activities.

Q9. How do we know if our proposed project is a good idea? Can someone from EPA or CPPD give me any guidance before we apply?

A9. Please refer to Section I.B. of the RFA. There you will find a description of priority areas, goals, and types of projects CPPD is authorized to consider for funding. It is up to each applicant to make the case to EPA in their proposal how their project best responds to the RFA. As stated in Section IV. Part H. Pre-application/Application Communications and Assistance of the RFA, EPA staff will not "discuss draft applications, provide informal comments on draft applications, or provide advice to applicants on how to respond to ranking criteria. Applicants are responsible for the contents of their applications."

Q10. Does the mention of "upgrading lighting systems in city buildings" as an example of a complementary activity exclude exterior lighting?

A10. No- exterior lighting/illumination would also be viewed as an example of a complementary activity.

Q11. Does energy saving qualify as an acceptable co-benefit?

A11. Yes, due to the economic savings associated with energy reductions, it would be deemed an acceptable co-benefit. Please refer to Section I.B. of the RFA for more information.

Q12. Is there a minimum requested funding amount? Can we apply for less than \$100K of EPA grant funding?

A12. There is no formal requirement concerning a minimum request for EPA funding. The range listed in the RFA is intended to provide enough funding to make a substantive difference to a community. Applicants may request less than \$100,000 in federal funding if they feel they can be fully responsive to the RFA with a lower dollar amount.

Q13. Can a project that is submitted with an Energy Efficiency and Conservation Block Grant (EECBG) application also be submitted for EPA showcase funding?

A13. Yes, projects submitted to DOE for EECBG grants can also be submitted to EPA's Climate Showcase Communities grant program, provided that the proposed project fits within the statutory authority for the Climate Showcase Communities program and within the scope of the Climate Showcase Communities RFA.

Q14. If an applicant is awarded both EECBG and EPA grant funding, can the grantee move funds around to offset the other Agency's award?

A14. No, grantees must account for and track EPA grant funding separately from DOE grant funding. EPA funding must only be used for the project that the grantee submitted to EPA under the RFA (EPA selects and awards funding based on the applicant's proposal - the funding must be used for this proposal that EPA has approved and selected for award). Note also that, under 40 CFR 31.24, funds from EECBG grants cannot be used to satisfy the match requirement for Climate Showcase Communities grants. In addition, please be advised that under no circumstances may a recipient of multiple Agency funding "double-bill" - that is bill more than one Agency for the same costs expended.

Q15. Can EPA provide any information on potential non-profit organization and local government partnerships?

A15. It is the sole responsibility of applicants to organize and set up any partner arrangements. EPA will not assist in organizing applicant partner arrangements. "Partner" arrangements between non-profit organizations and local governments would generally fall under the one of the following classifications:

- 1) The proposed non-profit organization would actually be a contractor. In this case, the local government is proposing contracting some of the work to the non-profit organization for a fee. This relationship is governed under the procurement regulations defined 40 CFR 31.36.
- 2) The proposed non-profit organization would actually be a sub-awardee. In this case, the local government is proposing subawarding to a non-profit organization for eligible subaward activities. This relationship is governed under the subaward regulations defined 40 CFR 31.37.
- 3) The proposed non-profit organization has offered to share in the costs of the grant. This relationship is governed under the regulations defined 40 CFR 31.24.

In addition, please refer to Section IV. Part D. of the RFA for more information.

Q16. Can funding be used to acquire services or fund partnerships?

A16. Please refer to Section IV. Part D. of the RFA for a detailed explanation to this question.

Q17. How will an applicant's proposed subawardees/subgrantees and contractors be considered during the evaluation process?

A17. Please refer to Section IV. Part E. of the RFA for an explanation to this question, and to Section V for further information regarding the evaluation scoring.

Q18. Can an applicant's proposal include several components? Or does the proposal need to concentrate on one project?

A18. Proposals may include several components. The RFA does not restrict applications to only one component or project. However, please remember that

irrespective of how many components are included in a single proposal, the maximum amount an applicant can request per application is \$500,000.

Q19. Can applicants submit proposals that estimate that certain aspects of the project will not begin until after the first year of funding?

A19. Yes. The ensuing award document will define the project and budget periods. Generally, these periods will be the same. EPA anticipates the three-year project/budget periods for many Climate Showcase Communities grants. In such circumstances, all eligible activities may occur at any time during the project/budget period.

Q20. The RFA for the Climate Showcase Communities states that the budget description must include travel expenses for the annual conference. In order to accurately estimate costs, how many days and nights should we plan for?

A20. For purposes of travel planning, please assume that each annual conference will run for 3 days. If necessary, applicants may include additional days to allow for travel time. For example, in year 1, the conference will be held in Washington, DC. Applicants coming from distant locations may choose to arrive in DC the night before the conference begins in order to participate the next morning. For subsequent years, conference locations have not yet been selected, but applicants are encouraged to base future annual conference attendance budgets based on year 1 figures.

Q21. Can Climate Showcase Community grant funding be used for construction of model energy efficient homes adopting different technologies?

A21. Yes, but please make sure your proposal is fully responsive to the RFA.

Q22. Can proposals include the cost of building of green facilities, such as a green fueling station with biodiesel and ethanol?

A22. Yes, but please make sure your proposal is fully responsive to the RFA.

Q23. If selected for a grant could consultants that assisted in writing the grant proposal, be hired to work on the grant?

A23. Yes, but please note that applicants may not award sole source contracts to consulting, engineering or other firms assisting applicants with the application solely based on the firm's role in preparing the application. In awarding procured services, grantees will be required to follow all applicable procurement regulations (include part 31 and part 35 procurement regs).

Q24. Do non-profits have to meet the same competitive process for subcontractor selection?

A24. Yes, Federal tax status is not a determining factor in whether or not the services rendered are defined as procurement.

Q25. Can EPA provide examples of eligible solid waste projects?

A25. Any waste related project that results in reductions of greenhouse gas emissions would be eligible under the solicitation. EPA prefers to not endorse specific proposed

solid waste projects for this grant competition. However, prospective applicants may find the following document regarding State action plans to improve solid waste management useful. <http://epa.gov/climatechange/wyacd/waste/downloads/stmit.pdf>

Q26. Can Climate Showcase Communities grant funding be used to subsidize an Environmental Impact Report?

A26. Yes, but please make sure your proposal is fully responsive to the RFA. Using grant funding under this program to solely fund a report would not be considered fully responsive.

Q27. How will innovation, as described in Section I.D, be evaluated and under which evaluation criteria (point system)?

A27. The Climate Showcase Communities grant program aims to develop a knowledge base of best practices local governments can implement to achieve greenhouse gas reductions. With this in mind, projects that go beyond simple implementation of existing technologies or practices are likely to receive higher scores under criteria 1--Project Summary and Approach. Innovation may apply to the technology or policy being implemented, the way the applicant builds capacity or involves stakeholders, the linkages made with co-benefits, or whether the program has innovative ideas that can be replicated in other communities.

In response to part 2 of the above question, proposed "innovation" efforts will be scored under Criteria 1- Project Summary/Approach. See Section V. Part A for more information.

Q28. Does collaboration among a County and its cities count as "multiple stakeholders" or does it need to include other entities, such as community groups, private sector or academic institutions? (In reference to Criteria 1ii).

A28. Collaboration among a County and its cities would count as "multiple stakeholders". "Multiple stakeholders" is meant to include different entities- other than grant applicant that may have a part in the proposed grant project. Please keep in mind that the partial points may be awarded for collaboration with a limited number of stakeholders and full points to applicants who involve a broad array of stakeholders.

Q29. Do proposed stakeholders need to be sub-grantees to be considered partners?

A29. Stakeholders are people, groups, or organizations who affect or can be affected by the proposed project. Partnerships with stakeholder groups may be formal (ie as contractors, grantees, or providers of services) or informal (through community outreach, public forums, or other mechanisms).

Q30. What constitutes "community action"?

A30. Any action being taken within the boundaries of a local or tribal government that has an impact on emissions from that community may be considered "community action." This could include actions taken to reduce emissions from government operations as well as from residential, commercial, agricultural, or industrial activity within the boundaries of an applicant's community.

Q31. Can EPA Climate Showcase Communities funding be used for seed funding - planning, outreach, legal work, etc - leading to the implementation of a revolving loan fund similar to California's AB811 loans (allowing loan repayment on property tax bills for renewable and/or efficiency upgrades), with the understanding that funding cannot be used to capitalize the loan fund itself?

A31. Climate Showcase Communities grant funding may be used for the administrative management and outreach associated with a loan program that would otherwise be deemed an eligible component of a proposal that fully responsive to the RFA. However, this grant funding may not be used to directly capitalize a loan fund.

Q32. What if most of the GHG emissions reductions associated with a proposal come after the completion of the 3 year project term?

A32. Projects that achieve reductions after the term of the project are eligible and in line with EPA's strategic goals. Proposals will be scored on their potential to achieve ongoing reductions as well as how well the applicant documents short and long term outputs, outcomes, and measures of progress. Proposals where the predominant emissions occur after the project period must still include discussion and rationale of the expected reductions.

Q33. Can an applicant partner with an entity that would not eligible to apply directly for a Climate Showcase Communities grant (ex. universities, non-profits, trade associations)?

A33. Q&A #15 under Project Questions addresses potential partnership arrangements with non-profits. These principles can be applied to other entities also not eligible to apply directly for Climate showcase Communities grants. Please refer to OMB circular A-133 .210 for more information.

Q34. Can a project be general, such as, "we will select a project that is cost-effective and reduces GHG emissions based on the results and recommendations of our Climate and Energy Action Plan?"

A34. Yes, applicants may propose finalizing some aspects of their prospective grants following initial consulting and/or assessments. However, applicants in this category are strongly encouraged to propose a range of likely projects and areas of interest.

Q35. Are applicants locked into the topic identified in their intent to apply emails?

A35. No, applicants are not restricted to apply for their projects identified in their notice of intent to apply emails.

Q36. If we are awarded for our application, when will the award need to be spent by?

A36. EPA anticipates that the majority of the initial project periods for Climate Showcase Communities grants will be three years. However, the exact start and end dates will be negotiated by selected applicants and their designated EPA Project Officers. Grantees will then be required to spend the grant funds by the specified end date. Future time extensions may granted on a case-by-case basis.

Q37. How closely do projects need to be tied to reducing emissions?

A37. Proposals must address a GHG reduction component tied directly to the funding. It is up to each applicant to make the case to EPA in their proposal how their project best responds to the RFA. EPA personnel will not pre-screen proposals before the deadline.

July 17, 2009 Update

Q38. Is there an area that EPA is more interested in funding than others?

A38. The priority funding areas are identified in Section I. Part B. of the RFA.

Q39. What is considered innovative in transportation?

A39. EPA will not endorse particular innovative technologies or strategies at this time. Please see Q&A # 27 under "Project Questions" for more information regarding "innovation" for the purposes of this grant program.

Q40. What does the phrase "capacity-building within communities, municipalities, and/or local and tribal agencies...." mean? Building the capacity to reduce greenhouse gases? Do you have an example?

A40. One criterion of the grant program is that projects should "build capacity within local and tribal agencies to address greenhouse gas emissions." This refers to improving the skills, abilities, or infrastructure of a local or tribal government so that they are better able to address emissions of greenhouse gases in the future.

Q41. If an applicant is already completing an Environmental Impact Review (as a state requirement), are they also required to complete a separate Environmental Impact Statement?

A41. Successful applicants will be subject to a NEPA review. This review will be handled on a case by case basis and is not expected to require the applicants to complete costly or time-intensive work. Applicants do not need to submit additional EIS documentation during the application process.

Q42. Is there a minimum number of GHG units that should be reduced by this project on an annual basis?

A42. No, the RFA does not stipulate minimum GHG reductions.

Q43. If our project period is shorter than the 3 year time frame, do we need to send someone to all of the training workshops or just the ones during our project period?

A43. EPA intends that grantees will attend three annual training workshops, regardless of their proposed project period. However, for grantees with project periods less than three years, EPA may, at the grantee's request, agree to one or two annual training workshop attendance instead.

Q44. Will projects that are shorter than the three-year time period be scored equally with projects that take the full three years?

A44. All projects will be scored using the same criteria, which includes an assessment of the reasonableness of the time-line proposed. It is up to the applicant to demonstrate

why their proposed time-line (regardless of length) is reasonable for the work proposed. There is no inherent advantage or disadvantage to proposing a shorter time period. As stated in Q&A# 43 above, EPA intends that all grant recipients will attend three annual conferences, even if their project is completed in less than three years.

Q45. Is there a requirement for applicants to be located in a National Ambient Air Quality Standards (NAAQS) non-attainment area?

A45. No, there is no requirement related to NAAQS attainment.

Q46. What is meant by the term "co-benefit"?

A46. A co-benefit is an additional advantageous result of a program, policy, or practice implemented to reduce greenhouse gases.

Q47. How specific does the quantification of emissions reductions need to be? Is a range of emissions acceptable? What methodologies should be used?

A47. Applicants are asked to provide performance measures that demonstrate a quantifiable reduction of greenhouse gases. An estimate of greenhouse gas reductions, as well as the assumptions used to make those reductions is preferred. Any reasonable methodology or approach may be used for the purpose of the application. EPA recognizes that these values are only estimates, and the values and methodologies will not be considered binding. In addition, applicants that are not able to calculate emissions, may include estimates of other quantifiable outputs that relate to greenhouse gas emissions.

Q48. How do we estimate the cost of travel, lodging, etc. is there a number of days/nights planned for each workshop and a set amount we should budget per person for the cost of attending? Prices would vary greatly with location of workshop and available hotels. Should we use what is shown on the sample budget provided?

A48. The budget example should provide a reasonable estimate for annual workshop attendance.

Q49. Does this grant include funding for government construction projects that are in design development or construction drawing stages as LEED projects?

A49. Planning activities are allowable expenses. However, please make sure your proposal is fully responsive to the RFA.

Q50. If grant funding will be used to directly subsidize homeowner expenses for energy retrofit work, can the grantee name specific contractors to perform the work?

A50. Grantees may provide subsidies to homeowners. In most cases, the homeowners would be viewed as beneficiaries and not subgrantees. If grantees condition the subsidies to include specific contractors, then the grantee must fully comply with all applicable procurement regulations. Alternatively, grantees may simply condition subsidies to include contractor qualifications and/or certifications without mentioning any specific contractors directly. Please review section IV parts D and E of the RFA for more information on sub-awardees, sub-grantees and/or contractors.

Q51. If a local government pays for energy retrofit work directly to contractors selected directly by homeowners, would the local government still be required to follow procurement requirements for retrofit work?

A51. The local government must follow applicable procurement regulations when entering into any contract. In addition, under no circumstances could the homeowners select contractors that will then enter into contracts with the local government.

Q52. What if a proposed program will generate income?

A52. If selected, the grantee and EPA Project Officer will agree to one of the following conditional uses of program income:

- 1) Add funds committed by EPA and recipient to further eligible activities;
- 2) Use to finance the non-Federal share of project costs;
- 3) Deduct from the total project allowable costs in determining the net allowable costs on which the Federal share is based.

Is My Project Eligible?

Q1. Can the grant include money for sustainability coordinators, or NGOs working as advisors, to assist communities in their development of programs?

A1. Yes, but please make sure your proposal is fully responsive to the RFA.

Q2. Would hiring a consultant to help prepare an implementation plan for carbon reduction be an eligible project?

A2. Yes, but please make sure your proposal is fully responsive to the RFA.

Q3. Would solar photovoltaic projects be eligible?

A3. Yes, but please make sure your proposal is fully responsive to the RFA.

Q4. Is geothermal (pipes in ground, not hot water) conversion an eligible activity? Would broadband to increase telecommuting be a possibility? What about broadband to reduce standing "in line" by going "online."?

A4. Yes all of the above activities listed in Q4 are eligible Yes, but please make sure your proposal is fully responsive to the RFA.

Q5. Can we propose using grant funding from this RFA to further study the viability of a project (whether already started or for future planning purposes only)?

A5. Proposals must address a GHG reduction component tied directly to the funding. So if your proposal is purely to study viability, then the answer would be no.

Q6. Are adaptation projects eligible?

A6. No- adaptation projects are not eligible. The Climate Showcase Communities grants are designed to fund climate mitigation projects that directly reduce greenhouse gas emissions. While EPA recognizes the value of preparing to address the impacts of climate change, this particular grant program is not targeting adaptation.

Q7. How do I know if my project is eligible?

A7. Please refer to Section I.B. of the RFA. There you will find a description of priority areas, goals, and types of projects CPPD is authorized to consider for funding. It is up

to each applicant to make the case to EPA in their proposal how their project best responds to the RFA. CPPD personnel will not pre-screen proposals before the deadline. If after reviewing the RFA, you are still unsure, then you may submit a request for clarification. A good example is the previous Q & A in this section which addresses adaptation projects.

Q8. Can funds be used to upgrade equipment and/or appliances (for example, replacing existing appliances with Energy Star qualified appliances)?

A8. Equipment and appliance upgrades are an allowable expense, but please make sure your proposal is fully responsive to the RFA.

Q9. Can Climate Showcase Communities grants go toward funding for AB811 loans? (AB811 is a California bill that allows cities and counties to allow loan repayment on the property tax bill for renewable and/or efficiency upgrades to the property.)

A9. No. Climate Showcase Communities Funds can only be used for project that fit within the statutory authority for the Climate Showcase Communities program and within the scope of the Climate Showcase Communities RFA. AB811 loans may result in greenhouse gas emissions reductions. However, under AB 811, residents financing AB 811 projects repay the loans through their property taxes and interest and penalties from the loans constitute liens against the residents' properties. Under EPA's grant regulations applicable to local governments, repayments of loan principle and interest on loans made with grant funds are considered program income and would have to be added to or deducted from total allowable costs to determine the net allowable costs. To the extent that the repayment of AB 811 loans could not be added or deducted from the program because they are collected by the State as a tax, EPA Climate Showcase Communities funding cannot be used for AB 811 loans.

Q10. Is there any restriction on using funds for revolving loans?

A10. Climate Showcase Communities funds cannot be used to capitalize a revolving loan fund. Climate Showcase Communities Funds can only be used for project(s) that fit within the statutory authority for the Climate Showcase Communities program and within the scope of the Climate Showcase Communities RFA.

Q11. Is there any restriction on using funds for staff time?

A11. Funds can be used for allowable costs as defined in 40 CFR 31.22 and OMB Circular A-87, subject to the statutory authority of the funding in PL 111-8. Appendix B to Part 225 at Section 8 addresses employee compensation, which can be an allowable cost under the grant. Furthermore, applicants may propose hiring a new position with Climate Showcase Community grant funding (ex. Environmental Manager). However, the activities of the position must still be reasonable, allowable and allocable in order to be deemed eligible expenses under any potential Climate Showcase Communities grant. Likewise, the proposed position and any activities therein must be fully responsive to the RFA.

Q12. Can applicants propose using grant funds to pay for consultants to perform an assessment of their environmental needs, and then anticipate finalizing a final

demonstration or implementation project later on in the life of the grant?

A12. Yes, applicants may propose finalizing some aspects of their prospective grants following initial consulting and/or assessments. However, applicants in this category are strongly encouraged to propose a range of likely projects and areas of interest.

Q13. Is creating a form-based code considerable an eligible proposed grant activity?

A13. Yes, creating a form-based code would be an eligible proposed grant activity, so long as the grant proposal is fully responsive to the RFA.

Q14. Question 11 asks: "Can Metropolitan Planning Organizations apply?" I find the response somewhat ambiguous, perhaps because there is a wide range of MPOs, with different types of organizational structures.

Delaware Valley Regional Planning Commission (DVRPC) serves at the MPO for the 9 counties and 5.5 million residents of Greater Philadelphia. Is DVRPC eligible to apply for and receive a grant under this funding opportunity?

A14. Delaware Valley Regional Planning Commission (DVRPC) is eligible because it is a regional government entity that falls within the definition of "local governments" in 40 CFR 31.3.

Q15. We are considering distributing free employee transit passes as part of an employee trip reduction program to reduce vehicle miles traveled. Could we apply EPA grant funding to cover this employee benefit of a free transit pass?

A15. Yes, this would be considered an eligible activity, so long as the proposal was otherwise fully responsive to the RFA.

Q16. Regarding Q&A #10, under the "Is My Project Eligible" section, What does "capitalize" specifically mean in this context? Could Climate Showcase Communities Funds be used to "seed" a revolving loan program?

A16. Climate Showcase Communities funds may be used to conduct analysis, pay for staffing, or other administrative costs associated with planning and implementing a revolving loan program. However, no funds from the Climate Showcase Communities grant program may be used to issue loans.

July 17, 2009 Update

Q17. Can Climate Showcase Community grant funding be used for city and community tree planting?

A17. Yes, tree planting would be an allowable activity, provided a GHG reduction can be calculated and assuming that the proposal is fully responsive to the RFA.

Q18. Can an applicant propose using grant funds to landscape and plant traffic islands as well?

A18. Yes, these would be considered allowable activities, provided a GHG reduction can be calculated and assuming that the proposal is fully responsive to the RFA.

Q19. What constitutes a “new” or “experimental” technology. We are curious if two of our participants’ rooftop solar projects, one 82 kW, the other 370 kW, would qualify. Both projects use technology that is commercially available, including real-time monitoring and metering.

A19. The requirement for "new and experimental" technologies, methods, or approaches only applies for projects described as demonstration projects. This type of project must be demonstrating the feasibility of a technology, method, or approach that is not in common use. Demonstrating a new aspect or use of an existing technology or approach would also qualify under this category. It is up to the applicant to make the case for why their proposed project represents a new or experimental technology, method, or approach. Commercially available solar technologies may qualify as demonstration projects if the applicant can make the case for why their use of the technology is a new aspect or approach. Alternatively, funding for solar technologies may be considered an implementation project. Demonstration, Planning, and Implementation projects will all be considered equally under the criteria listed in the Request for Applications. Applicants may also request funding for planning and implementation, however projects that go beyond traditional and established practices by incorporating innovative or educational components are encouraged.

Q20. Could an applicant request funding for a Sustainable County Plan and the cost for a recommended project from the plan, while also including language offering an alternative plan for the money if intended initial project is not recommended after funded study?

A20. Yes, please refer to Q&A # 34 under "Project Questions" for more information.

Q21. If part of the grant funding is to be used for a study, could a grantee deviate from the study's recommendations and fund alternative activities?

A21. EPA would have to address this issue on a case-by-case basis between the grantee and EPA Project Officer. When preparing applications, EPA strongly suggests that applicants that intend to first fund a study, also present a range of target areas and anticipated future projects/activities.

Q22. Are feasibility studies eligible for grant funding?

A22. Please see Sec. I. B. of the RFA. The first paragraph indicates that grant funding may be applied to "planning" activities. However, please make sure your proposal is fully responsive to the RFA. Please see Q&A's #6 and 34 for more information.

Q23. Can Climate Showcase Communities grant funding be used to purchase land?

A23. EPA can only be determined on a case by case basis whether grant funds may be used for land acquisition. Real property may only be purchased using grant funds if the cost of the property is an allowable cost under the grant, and also deemed allocable and reasonable. The basic guidelines for allowability of costs are stated in 2 CFR 225 App.

A. Section C. Furthermore, Climate Showcase Communities grants will only be awarded to eligible entities, which are subject to the cost principles in OMB Circular A-87 (2 CFR Part 225).

Q24. Can grant funding be used for administration (not the actual loans which will be attached to the property tax) of an AB 811 loan program?

A24. No. Climate Showcase Communities Funds can only be used for project that fit within the statutory authority for the Climate Showcase Communities program and within the scope of the Climate Showcase Communities RFA. AB811 loans may result in greenhouse gas emissions reductions. However, under AB 811, residents financing AB 811 projects repay the loans through their property taxes and interest and penalties from the loans constitute liens against the residents' properties. Under EPA's grant regulations applicable to local governments, repayments of loan principle and interest on loans made with grant funds are considered program income and would have to be added to or deducted from total allowable costs to determine the net allowable costs. To the extent that the repayment of AB 811 loans could not be added or deducted from the program because they are collected by the State as a tax, EPA Climate Showcase Communities funding cannot be used for AB 811 loans.